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UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service

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SUPPLEMENT TO QUESTIONS AND ANSWERS --

1958 WINTER WHEAT ACREAGE RESERVE

At the time "Questions and Answers -- 1958 Winter Wheat Acreage Reserve" (PA-345) was compiled, a detailed interpretation was not available concerning the \$3,000 limit on Acreage Reserve payments to "any one producer" under the 1958 program. Now the interpretation is that this limitation applies to each producer with regard to each separate farm, rather than as a ceiling on the amount a farmer could earn for all farms in which he has an interest. The \$3,000 limit is applicable to each single farm operation and each operator thereof.

The following questions and answers on the \$3,000 limitation -- primarily for the use of Agricultural Stabilization and Conservation (ASC) Committeemen, county Extension Agents, and other agricultural workers -- are related to Question 20 in PA-345.

1. For the purposes of the \$3,000 payment limitation under the 1958 Acreage Reserve Program, who is considered a "producer"?

A producer means an owner-operator, a landlord, a cash-rent tenant, a crop-share tenant, or a sharecropper, who shares in the crops grown on the farm.

2. What is a "farm" in connection with the \$3,000 payment limitation under the 1958 Acreage Reserve program?

A "farm" or "farming unit" is the same as used in the Acreage Reserve agreements and in the establishment of acreage allotments -- a single farming operation. An Acreage Reserve agreement is executed for each crop for each such farm taking part in the Acreage Reserve program.

3. Is the \$3,000 limit all that can be earned under the Acreage Reserve on any one farm?

No. The \$3,000 limit applies only to any one producer on any one farming unit. An owner-operator, a landlord, a tenant, and a sharecropper are all separate producers. This means that if there is enough acreage allotment land available on a particular farm and enough of it is put in the Acreage Reserve, the owner-operator or the landlord may receive up to \$3,000 and each tenant or sharecropper may earn up to \$3,000.

(more)

4. Does the \$3,000 limit mean that this is all a producer can earn even though he has more than one farm and has acreage allotments on two or more of his farms?

No. If an owner-operator has two or more farming units which he normally operates separately and he can put enough allotment land from each of the separate farms under the Acreage Reserve, he can earn up to \$3,000 on each of these separate farms. Likewise, if he has tenants or sharecroppers on these separately-operated farms and enough allotment land is put in the program, each of these tenants or sharecroppers may earn up to the \$3,000 limit also.

5. How would the \$3,000 limitation apply to a farmer who owns one farm and rents one or more other farms or to a man who rents more than one farm?

The limitation applies to each farming unit on which there is an Acreage Reserve agreement if there is only one producer, and to each producer on each such farming unit when there is more than one producer receiving payment.

6. How does the limitation apply to a farm which is owner-operated and on which there is a farm allotment for two or more crops?

If an Acreage Reserve agreement is in effect for only one of the allotment crops, the limitation will apply to that crop. If an Acreage Reserve agreement is in effect for each of two or more allotment crops, the limitation will apply to the total payments. For example: A corn Acreage Reserve agreement which called for a payment of \$2,100 and a wheat Acreage Reserve agreement which called for a payment of \$1,240 would be \$340 greater than the limitation of \$3,000 to each producer on each farm, and therefore the total payment would be limited to \$3,000 to the owner-operator.

7. Is the Conservation Reserve payment for a farm included in the \$3,000 payment limitation?

No. The \$3,000 limitation on total payments to each producer on a farm covers only payments earned for participation in the Acreage Reserve program.

There is a limitation of \$5,000 on the total annual payments which can be made to any one individual for participation in the Conservation Reserve.

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